

## Message Text

CONFIDENTIAL

PAGE 01 KABUL 01596 160422Z

12

ACTION NEA-12

INFO OCT-01 EUR-25 ISO-00 SPC-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 AGR-20 PA-04 PRS-01 USIA-15 INT-08

TAR-02 DRC-01 /202 W

----- 117806

R 160330Z MAR 74

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 7173

INFO AMEMBASSY ISLAMABAD

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

AMEMBASSY MOSCOW

C O N F I D E N T I A L KABUL 1596

E.O. 11652: GDS

TAGS: ECRP, ETRD, AF

SUBJECT: AFGHAN GOVERNMENT TO SUBSIDIZE SOME IMPORTS IN NEW  
AFGHAN YEAR

REF: KABUL 1404

1. AFGHAN GOVERNMENT ANNOUNCED MARCH 11 ON RADIO AND IN  
PRESS THAT DURING AFGHAN YEAR 1353 BEGINNING MARCH 21, GOA WILL, IN  
EFFECT SUBSIDIZE IMPORTATION SOME CONSUMER GOODS IN ORDER MAINTAIN  
PRICES AND HELP PREVENT INFLATION FOR THESE ESSENTIALS. GOODS  
AFFECTED AND ACTION TO BE TAKEN AS FOLLOWS:

A. EDIBLE COOKING OIL: EXEMPT FROM ALL CUSTOMS DUTIES.  
AFGHANISTAN IMPORTS MOST OF ITS EDIBLE OIL NEEDS FROM IRAN  
WITH SOME FROM SOVIET UNION. EDIBLE OIL HAS BEEN IN SHORT SUPPLY  
IN MARKET SINCE CURTAILING IMPORTS FOLLOWING JULY, 1973 CHANGE  
OF GOVERNMENT.

B. NON-LUXURY COTTON TEXTILES: LOWER CUSTOMS DUTIES ON THESE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KABUL 01596 160422Z

IMPORTS. EXACT NEW DUTY RATES NOT RPT NOT YET ANNOUNCED. IN ORDER

SUPPLY LOCAL NEEDS, GOA EARLIER PLACED BAN ON EXPORTS LOCALLY-PRODUCED COTTON TEXTILES. THIS IS FURTHER MOVE DESIGNED TO ENSURE ADEQUATE SUPPLIES AT REASONABLE PRICES FOR DOMESTIC MARKET.

C. PETROLEUM PRODUCTS (INCLUDING GASOLINE AND DIESEL FUEL) AND SUGAR: CURRENT GOVERNMENT-CONTROLLED PRICES WILL BE MAINTAINED. AFGHANISTAN IMPORTS BULK ITS NEEDS THESE COMMODITIES FROM SOVIET UNION UNDER BILATERAL TRADE AGREEMENT. DESPITE HIGHER SUGAR PRICE IN CURRENT BILATERAL AND POSSIBLE HIGHER PRICES FOR SOVIET-SUPPLIED PETROLEUM PRODUCTS, GOVERNMENT WILL MAINTAIN CURRENT FIXED RETAIL PRICES. NOTABLE EXCEPTION THIS DECISION IS SUGAR FOR INDUSTRIAL USE WHICH WILL NOT RPT NOT BE SUPPLIED AT CURRENT FIXED PRICES.

2. AT SAME TIME GOA ANNOUNCED REDUCTION OF 75 PERCENT IN CUSTOMS DUTIES ON IMPORTED PAPER AND NEWS PRINT. THIS PRESUMABLY DESIGNED PROMOTE GOVERNMENT'S PUBLIC LITERACY CAMPAIGN.

3. ACCORDING GOA ANNOUNCEMENT, THESE DECISIONS WILL COST GOA SOME ONE BILLION AFGHANIS IN REVENUE LOSSES THROUGH ELIMINATING OR LOWERING CUSTOMS DUTIES AND SUBSIDIZING PRICES.

4. COMMENT: EMBOFF INFORMED BY MINCOMMERCE OFFICIAL THAT GOA HAS DECIDED NOT RPT NOT TO SEEK SUBSTANTIALLY HIGHER PRICES FOR NATURAL GAS EXPORTS TO SOVIET UNION AS QUID PRO QUO OF SOVIET AGREEMENT TO MAINTAIN PRICES PETROLEUM PRODUCTS EXPORTED TO AFGHANISTAN AT CURRENT BILATERAL PRICES NOT RPT NOT WORLD MARKET PRICES. MINCOMMERCE JALALLAR SCHEDULED TO DEPART FOR MOSCOW MARCH 14 TO COMPLETE ANNUAL BILATERA NEGOTIATIONS AND SIGN BILATERAL AGREEMENT. NEW REPUBLIC'S PRICE DECISIONS OBVIOUSLY POPULAR AND DESIGNED TO INCUR FACOR WITH MAJORITY LOWER INCOME GROUPS. ACCORDING BAKHTAR (GOVERNMENT) NEWS AGENCY, PEOPLE IN PROVINCES AS WELL AS IN CAPITAL WELCOME DECISION AS "MANIFESTATION OF GOOD WILL OF NATIONAL LEADER (DAOUD) AND GOVERNMENT'S SINCERE DESIRE FOR PUBLIC WELFARE. END COMMENT.  
ELIOT

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INFLATION, CUSTOMS DUTIES, COTTON, PETROLEUM PRODUCTS, SUGAR, IMPORT PRICES, PRICE CONTROLS, ECONOMIC CONTROLS, EXPORT CONTROLS, VEGETABLE OILS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974KABUL01596  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** KABUL  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740337/aaaabisn.tel  
**Line Count:** 96  
**Locator:** TEXT ON-LINE  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** KABUL 1404  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 JUN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06 JUN 2002 by rowelle0>; APPROVED <31 JAN 2003 by GolinoFR>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AFGHAN GOVERNMENT TO SUBSIDIZE SOME IMPORTS IN NEW AFGHAN YEAR  
**TAGS:** ECRP, ETRD, AF  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005